

STATE OF ILLINOIS
BEFORE THE ILLINOIS COMMERCE COMMISSION

In the Matter of)
Talk America Services, LLC)
Application to Amend its Certificate)
Of Authority to Resell Local)
and Interexchange Telecommunications Services)
to Add Facilities-Based Local Exchange Authority) Docket No. 15-0556
throughout the State of Illinois)

Testimony of Jeffery W. Small, Senior Vice President - Operations

on behalf of

Talk America Services, LLC

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

Q. Please state your name, title and business address.

A. My name is Jeffery W. Small. My title is Senior Vice President, Operations. My business address is 10802 Executive Center Drive, Benton Building, Suite 300, Little Rock, Arkansas 72211.

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of Talk America Services, LLC ("TAS" or "Company"), the Applicant in this docket.

Q. What is your position and responsibilities with Talk America Services, LLC?

A. I am Senior Vice President of Operations of Communications Sales & Leasing, Inc. ("CS&L"), the parent company of Talk America Services, LLC. I am responsible for directing the Company's entry into new markets and for investigating and developing new lines of business, as well as the overall operations of the Company.

Q. Please describe your previous professional experience.

A. I have a degree in accounting from Arkansas State University and am a licensed certified public accountant. I joined Windstream Holdings, Inc. in 2008, where I held various accounting, finance and operational leadership roles before being appointed to my current position with CS&L in 2014. The last position I held at Windstream was Vice President of Procurement and Carrier Service Delivery with responsibilities for supply chain management, procurement strategy and vendor management, and oversight of the service delivery experience for a full portfolio of carrier communications products to carriers, wireless providers, cable providers and others. Prior to joining Windstream, I served four years as the controller for Ranger Boats, Inc. and was a senior auditor with Arthur Andersen LLP for five years. In my current position with CS&L, in addition to my responsibilities overseeing the operations of TAS, I am responsible for lease administration of the real estate portfolio.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present evidence describing the technical, managerial and financial fitness of TAS to provide facilities-based local exchange telecommunications services in Illinois, in support of the Company's request to expand its existing resale authority to include facilities-based

1 local services. My testimony will demonstrate that the public interest will be served by approval of
2 the application of Talk America Services for an amended certificate of authority.

3
4 **Q. Are all statements in Talk America Services' Application true and correct to the best of your
5 knowledge, information and belief?**

6 A. Yes. I have reviewed the complete application package and believe it to be true and correct to the
7 best of my knowledge, information and belief.

8
9 **Q. Is Talk America Services authorized to do business in Illinois?**

10 A. Yes. TAS received a Certificate of Authority from the Illinois Secretary of State in August, 2014,
11 authorizing it to do business in Illinois as a foreign limited liability company. The Company remains
12 in good standing in the state of Illinois.

13
14 **Q. Please describe the authority for which TAS has applied in Illinois.**

15 A. TAS was issued a certificate authorizing it to resell local and interexchange telecommunications
16 services in Illinois in Docket No. 14-0581. With this Application, TAS seeks to amend its certificate
17 to add authority to provide facilities-based local exchange services in Illinois.

18
19 **Q. Why does TAS want authority to offer facilities-based local service?**

20
21 A. The Company seeks to expand its authority to enable it to provide local exchange service by utilizing
22 its own facilities and/or by purchasing or leasing facilities (e.g., Unbundled Network Elements) from
23 other carriers. The Company does not have immediate plans to install its own facilities (although it
24 may in the future), but may seek to purchase Unbundled Network Elements from incumbent local
25 exchange carriers through interconnection agreements and/or commercial agreements, which would
26 require the Company to have authority as a facilities-based local exchange carrier. The Company
27 plans to continue to offer service only to residential customers at this time, and does not have
28 immediate plans to change its service offerings. However, granting Talk America's request for
29 facilities-based local authority will give the Company flexibility to expand its service offerings in the
30 future.

1 **Q. In what geographic area does TAS request authority to provide local exchange services?**

2 A. TAS seeks authority to offer facilities-based local service statewide.

3

4 **Q. Please describe the Company's managerial and technical qualifications.**

5 A. The Commission found in Docket No. 14-0581 that TAS met the requirements for certification as a
6 provider of resold local and long distance services, including managerial and technical fitness. TAS'
7 management team has the experience necessary to provide facilities-based local service in Illinois as
8 well. The Company initially intends to offer facilities-based local exchange service by leasing or
9 purchasing unbundled network elements through interconnection agreements and/or commercial
10 agreements with underlying incumbent local exchange carriers such as Windstream and AT&T, who
11 will be contractually obligated to maintain and support the network used to provide service to Illinois
12 customers. Therefore, the Company will have the technical capability to provide facilities-based local
13 exchange service through its contractual arrangements with underlying carriers. To the extent the
14 Company installs its own facilities in the future, it will retain the requisite technical personnel to
15 install, maintain and operate those facilities. Exhibit C of the Company's Application provides
16 biographies for TAS' management team.

17

18 **Q. Is TAS financially qualified to provide the local exchange services it proposes within Illinois?**

19 A. Yes. TAS has sufficient financial resources to provide the facilities-based local exchange services for
20 which authority is requested. The Company is not currently planning to install any plant or
21 equipment in the state. The provision of local services by leasing unbundled network elements from
22 underlying ILECs does not require capital investment and the incremental cost to the Company of
23 leasing UNEs is relatively small. The Company submitted its financial statements in Exhibit E
24 attached to its Application.

25

26 **Q. Please describe the types of services that TAS will offer in Illinois.**

27 A. TAS currently offers resold bundled local and long distance services, along with ancillary features
28 and internet access, to residential customers in Illinois. It plans to continue offering the same kinds of
29 services, but seeks flexibility to provide the local services using its own facilities or by leasing
30 unbundled network elements directly from the ILECs. This will give the Company the opportunity to
31 expand its service offerings and provide greater choices to Illinois customers. It should also enable
32 the Company to have greater control over its cost to provide service.

33

1 **Q. Will TAS maintain a posted price list that contains all material terms and conditions applicable**
2 **to its provisioning of local exchange services?**

3 A. Yes. TAS maintains a posted price list on its website (www.talkamericaservices.com) that contains
4 the rates, terms and conditions for its local services. The Company does not propose in this
5 Application to change any of those rates, terms or conditions of service.

6
7 **Q. How will TAS handle customer service and repair matters?**

8 A. TAS will continue to provide comprehensive support services to its customers. Customer repair is
9 available 24 hours a day, 7 days per week through trained representatives. The toll free telephone
10 number is 855-546-5000.

11
12 **Q. Does TAS currently offer service in other jurisdictions?**

13 A. Yes. The Company currently offers local and/or long distance services in all states and the District of
14 Columbia except Alaska, California and Hawaii.

15
16 **Q. Briefly describe how approval of TAS' Application is in the public interest.**

17
18 A. Grant of Talk America Services' Application to provide facilities-based local exchange services is in
19 the public interest because it will enable the Company to expand its offerings beyond the resold
20 services it currently offers, which will give Illinois customers greater choices. In addition, the
21 Company will be able to offer its services in a more cost-effective manner.

22
23 **Q. Does TAS intend to comply with all Commission rules, statutes, and orders pertaining to the**
24 **provision of telecommunications services in Illinois, including those for disconnection and**
25 **reconnection of service?**

26 A. Yes.

27
28 **Q. Has any state ever denied or revoked TAS' authorization to provide intrastate service?**

29 A. No.

30
31 **Q. Has TAS ever been investigated or sanctioned by any regulatory authority for service or billing**
32 **irregularities?**

1 A. No. TAS has had a limited number of customer complaints that have been submitted to the FCC or
2 state regulatory agencies. However none of those matters ever reached the level of a formal complaint
3 by the FCC and none of them involved a formal investigation or any sanctions by a regulatory
4 agency.

5

6 **Q. Who is knowledgeable about the Company's operations and will serve as the company's**
7 **regulatory contact?**

8 A. I will serve as the Company's regulatory contact.

9

10 **Q. Does this conclude your testimony?**

11 A. Yes.

12

13

14